GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:3251
ANSWERED ON:05.08.2016
Incentives to Companies under CSR
Thakur Shri Anurag Singh

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether the Government proposes to provide incentives to companies for taking up more corporate social responsibility projects;

(b) if so, the details thereof; and

(c) the extent to which these incentives are likely to give boost to the CSR projects?

Answer

THE MINISTER OF STATE IN THE
MINISTRY OF CORPORATE AFFAIRS (SHRI ARJUN RAM MEGHWAL)
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(a) to (c): Section 135 of the Companies Act 2013, provides for every company above the specified thresholds of turnover, or net worth, or net profit to spend at least two per cent of the average net profits earned during three immediately preceding financial years, on Corporate Social Responsibility (CSR). Section 135 of the Companies Act 2013, the Rules made under, and Schedule VII of the Act read with General Circulars dated 18th June, 2014 and 12th January, 2016 issued by the Ministry of Corporate Affairs, give the broad contour within which the Board of the eligible companies have been empowered to formulate their CSR policies and take decision with respect to allocation of CSR funds across various development sectors. The policy on utilization of CSR funds has been made flexible to enable companies for taking up more Corporate Social Responsibility projects.

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